

Acting Chief, E/C

1 June 1956

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May 1956 Progress Report

A. Projects

I. Outside Requests

Copper - Project 111.123

There is still no fully coordinated estimate of total 1955 shipments of copper from the free world to the Sino-Soviet Bloc. Informal conferences were held during the month between various members of E/C and E/ST with ERA and Defense components, and E/C and E/ST auditioned a meeting of the EIC Ad Hoc Working Group on Copper Shipments.

In this connection comments on a 1 May table showing "Free World Exports of Copper Products to the Sino-Soviet Bloc, 1954 and 1955," were prepared for the use of Acting Chiefs E/C and D/E.

Petroleum Equipment - Project 111.150

The Secretary of Commerce has denied permission to the Dresser Industries to provide to the Ministry of Oil Industry of the USSR instructions for the manufacture of US rock bits.

Prior to the ACEP Meeting which advised the Secretary to deny this license application, briefing papers were prepared and assembled by E/C for Chief/C, who represented CIA at the meeting. These papers included a draft memorandum to the AD/RR, and a draft of Project 111.150, "Comments on Equipment and Production of the USSR Petroleum Industry," both of which had been prepared by E/C, as well as other pertinent documents.

A conference was held with a representative of the [REDACTED] who was in Washington, but it was decided not to send the memorandum which had been prepared for them suggesting that [REDACTED] make contacts there in relation to this project.

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Liaison was continued with St/I/R in the attempt to procure for analysis samples of rock bits of recent USSR manufacture.

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Bauxite and Aluminum - Project 111.141

The ERA study of bauxite, alumina and aluminum resources, production, trade, consumption, and requirements is still in process and E/C has been informed that not even a draft will be available for review until middle or late June.

Boron - Project 111.151

St/I/R has completed coordination of the boron requirements memo within CIA, without any new information coming to light. About 21 May, the issued collection requirements (C-1298) for acquisition of additional information about the Sino-Soviet boron situation.

Magnesium - Project 111.135

Activity on this project is awaiting the outcome of the 13-14 June Propellants Seminar. (See item below.)

China Differential - Project 111.154

A statement on the strategic significance and supply position in the Sino-Soviet Bloc of certain aluminum items was prepared for use in evaluating the May 1956 Japanese proposal for deletion of these items from the China Differential List.

II. Internal Projects

None.

B. Other Support Activities

I. Commodities

Propellants Seminar

On 13-14 June there will be a Propellants Seminar at which representatives of the Batelle Memorial Institute and the Solid Propellant Information Agency will brief appropriate components of the intelligence and economic defense communities on past and current programs for the development of missile propellants and other high-energy fuels. This Seminar is being arranged jointly by the EDIC Working Group on Propellants and Fuel Additives and Office of the Assistance Secretary of Defense.

A planning session at which the Washington representatives of interested government departments met with representatives of the above-mentioned consulting groups, was held on 3 May. Since that time, E/C has maintained liaison with all components involved for the purpose of arranging for agendas, personal clearances, facilities, etc.

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Copper

The 30 April meeting of EDAC Working Group I considered a suggestion that West Germany might ship copper scrap to East Germany for processing and return as copper cathodes. In this connection, CIA was asked to look into the availability of copper refining capacity in East Germany. This information was supplied to the Task Group Chairman orally, and will be made a memorandum for the record.

Tinplate

In preparation for an EDAC Working Group I meeting to consider an exception request to ship tinplate to China, a quick review of the tin and tinplate situation throughout the Sino-Soviet Bloc was made. This information was not needed at the meeting, but has been made a memorandum for the record.

Tungsten Wire

At the request of the Chairman of EDAC Working Group I, information on the Sino-Soviet Bloc tungsten and tungsten wire situation was sent to him for the use of the Working Group in deciding whether certain forms of tungsten wire should be permitted to be shipped to the Soviet Bloc as an "accident of definition" because it could not be used for strategic purposes.

II. General Support

None.

Interagency Meetings Attended

<u>Date</u>	<u>Meeting</u>	<u>Subject</u>
1 May	Briefing by Lt. Gen. Cabell	CIA policy
3 May	Interagency Planning Session	To prepare for the Propellants Seminar to be held 13-14 June
8 May	EDAC WG-I	Discussion of negotiating problems concerning control of shipments of boron to the USSR and EUSATS, fishing vessels to Japan, and tinplate to China.
11 May	ACEP	Consideration of proposed exchange of rock bit manufacturing information for USSR turbo-drill information and samples.
17 May	OTR lecture	"Communist Strategy and Tactics" by [REDACTED]
18 May	Coordination meeting of Defense and CIA representatives	To compare CIA with JIC copper information and analyses.

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<u>Date</u>	<u>Meeting</u>	<u>Subject</u>
21 May	EDAC WG-I	Discussion of current export control problems related to boron, tungsten wire, copper processing, and bearings.
22 May	EIC Ad Hoc Working Group on Copper Shipments	Coordination of 1955 estimates of copper shipments from the free world to the Sino-Soviet Bloc.